

ARTICLE APPEARED  
ON PAGE A-14

SAN FRANCISCO EXAMINER  
21 DECEMBER 1980

# Reagan goal to rebuild CIA, ties with intelligence units

By Bernard D. Kaplan  
Examiner Correspondent

PARIS — The incoming Reagan administration has assigned a former deputy chief of the CIA the task of reestablishing "pre-Watergate" working links to western European intelligence organizations.

Gen. Vernon Walters, who served as the No. 2 man at the CIA during the Nixon administration, reportedly has held confidential meetings with British, West German and French intelligence officials during the past few weeks.

His message has been that Reagan regards the rebuilding of intelligence links as a major priority and that the rundown CIA will be given the funds and people to do the job.

Walters is reportedly in line for an ambassadorship in Europe, possibly in France. In that role, informants believe, an important part of his mission would be to oversee the restructuring of the broad and active allied intelligence network in Europe, Africa and the Middle East that flourished in the 1950s and 1960s.

In the 1970s, it became badly damaged, largely as a result of the Europeans' loss of confidence in the CIA. This, in turn, came about because of the domestic assault on the intelligence body in the United States, arising indirectly from the Watergate affair.

Western European intelligence organizations shied away from their previously close collaboration with the CIA in fear that their operations would be exposed through congressional and journalistic probing of U.S. espionage and counter-espionage activities.

The series of published "revelations" by former CIA agents also served to erode foreign confidence in the agency, as indeed was their intention.

Informants say that the result, in professional terms, was close to catastrophic. Allied intelligence methods had been built on the principle of regular and full exchanges of key information.

Even when, as in the case of the U.S. and France, two governments found themselves frequently at political loggerheads, their intelligence branches had maintained the closest liaison. The breakdown of this principle after about 1973 because of the CIA's problems led to serious difficulties in many areas.

One example cited was the virtual disintegration of allied intelligence operations in black Africa, which had been predicated on a strong practical partnership between French and U.S. agents.

Some sources regard this failure as a major contributing cause to the ease with which the Soviet-Cuban forces penetrated so many African countries from 1975 onwards.

Sources said that there was also a "grave loss of intelligence potential" in the vital Persian Gulf region. This was brought about by the sapping of the ties between the CIA and British intelligence, still a force in several countries of the region, as well as wariness exhibited toward the former by Israeli intelligence officials.

Walters is said to have assured the

western European governments that Reagan and his advisers view the restoration of the CIA's role and capabilities as part-and-parcel of the revival of U.S. military power and political prestige.

The appointment of William Casey, one of Reagan's most intimate advisers, as the new CIA chief has been cited as prima-facie evidence of this.

What may be most significant about the Walters mission is that it reflects recognition of the Europeans' belief in the importance of high-quality intelligence as a weapon in the East-West struggle.

The western Europeans also have been aware of the steady growth of Soviet intelligence operations in western Europe, while their operations were proving less and less effective.

Walters has now promised the Europeans that the Reagan administration plans to change this.